Montana Department of Environmental Quality

DW & WPC

STATE REVOLVING FUND PROGRAMS





Advantages of Using an SRF Loan

- No Deadlines Can Apply at Anytime
- ► Low Interest Loans Currently 2.50%
- ▶ 20 Year Term or longer, in some cases
- Interim Financing not Needed
- Can Provide Interim Financing for Projects @ 1.25% for up To 3 years
- Disadvantaged Community Criteria Potential Additional Subsidy (May qualify for a 30 year term for drinking water projects depending on life of improvements)
- ▶ No Plan Review Fee
- DEQ Prepares Environmental Review Documents

Who Can Apply for an SRF Loan?

- Any city, town, county, school, water and/or sewer district, or other local government unit
- Private entities are eligible for loans to finance costs of nonpoint source pollution control projects or any community drinking water project

Types of SRF Financial Assistance

- Direct Loans
- Short-Term Interim Financing
- Purchase or Refinance of Existing Debt

To Be Eligible for an SRF Loan

- Must be an eligible project
- Must be on the Priority List &Intended Use Plan (Survey)
- Completed Uniform Application & Supporting Documents

Priority List & Intended Use Plan

- Priority List is Updated Every Year (May)
- Simple Survey Form Required Important
- Is Not a Commitment
- Project Stays on List Until Completion, Regardless of Funding Sources
- Currently 80 / 150 Projects on Each Priority List

Continuing Requirements for SFY 2019/20

- Green Project Criteria
 - ✓ energy efficiency
 - √ water efficiency/conservation
 - ✓ green infrastructure (storm water)
 - √ environmentally innovative project
- Higher of Federal Davis-Bacon or State Prevailing Wage Rates
- Principal Forgiveness Continues in SFY2019/2020

AIS REQUIREMENT

- American Iron and Steel (AIS)
- Effective January 17, 2014
- "...all of the iron and steel products used in the project are produced in the United States."
- "iron and steel products" means lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

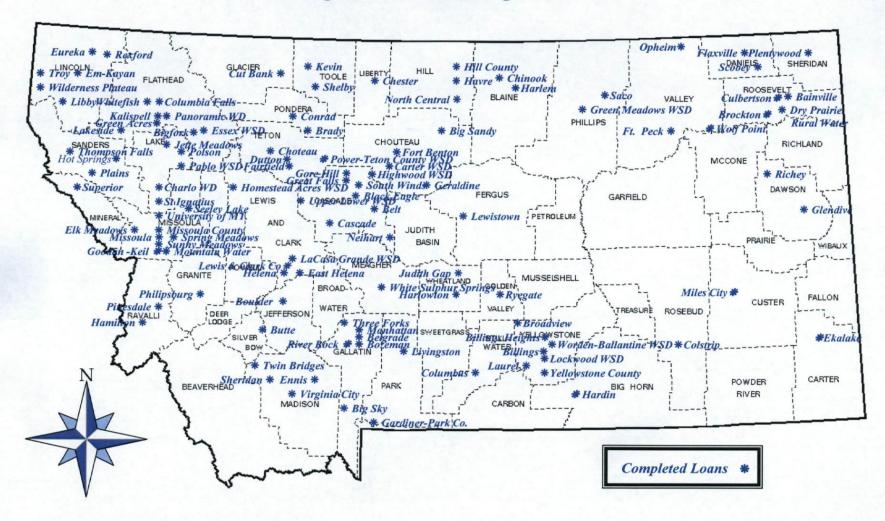
DWSRF PROGRAM

Eligibility Key = Public Health

- ✓ Source Development
- ✓ Treatment

- √ Storage
- ✓ Distribution

Drinking Water Revolving Fund Loans



PRIORITY LIST

RANKING CRITERIA:

- ✓ Documented Health Risks (acute & non-acute)
- ✓ Potential Health Risks (acute & non-acute)
- ✓ Proactive measures
- ✓ Regionalization (PWS consolidation)
- √ Affordability

PRINCIPAL FORGIVENESS

- Disadvantaged Community
- *Half of loan as principal forgiveness, other half at regular interest rate
- **♦**Up to a maximum of \$500,000 PF

SET-ASIDES (NON-PROJECT ACTIVITIES)

- Capacity Development
- Technical Assistance
- Operator Certification
- PWS Program
- Source Water Protection

WPCSRF PROGRAM RECENT STUFF

Federally Reauthorized in 2014

- > American Iron & Steel
- > 30-yr terms not restricted to disadvantaged communities
 - Design life
- > Additional Subsidy
 - Principal Forgiveness (optional)**
- Cost & Effectiveness Requirement

COST AND EFFECTIVENESS

- ✓ Include energy & water efficiency in alternatives analysis (PER)
- ✓ Owner must certify that they have evaluated energy & water efficiency in the planning process

RANKING CRITERIA FOR PRIORITY LIST

- Water Quality Impairment
 - ✓ How Bad is the Problem?
 - ✓ Enforcement?
- Water Quality Improvement
 - ✓ How Effective is the Project?
- Activity-Specific Criteria
 - ✓ Capacity Issues?
 - ✓ Water/energy conservation?
 - ✓ Beneficial reuse?
- Readiness to Proceed

PRINCIPAL FORGIVENESS 2019/2020

- Percentages & Caps dependent on:
 - ✓ Federal Appropriation
 - ✓ Cash Flows
 - ✓ Demand / Project Readiness
- > Affordability Criteria
 - ✓ Rates/MHI
 - ✓ Unemployment
 - ✓ Population Trends
- Not for short-term financing
- ➤ Must take out long-term SRF Loan

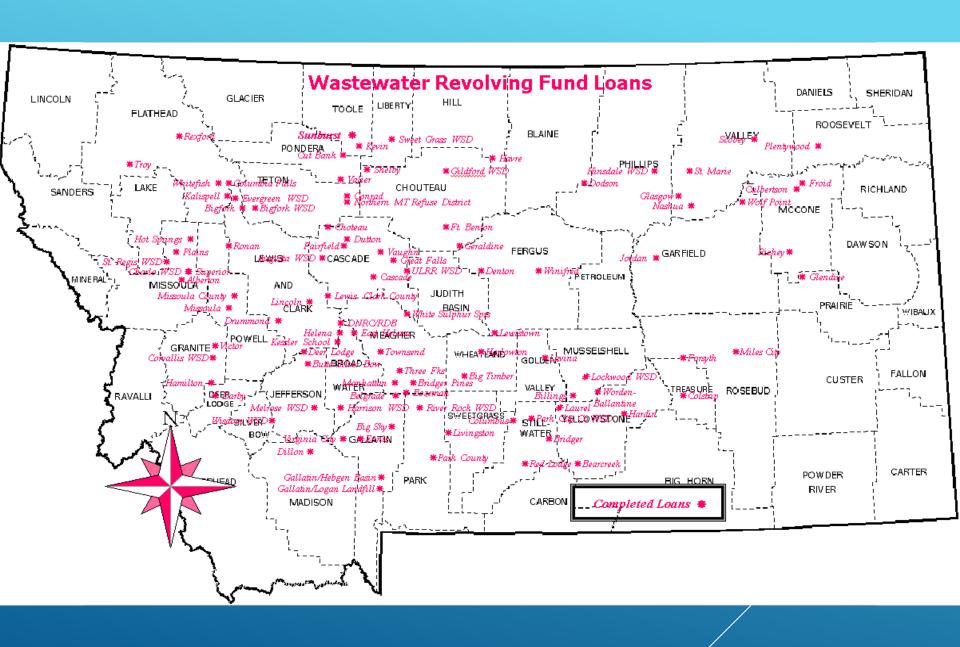
WHAT CAN BE FINANCED ...?

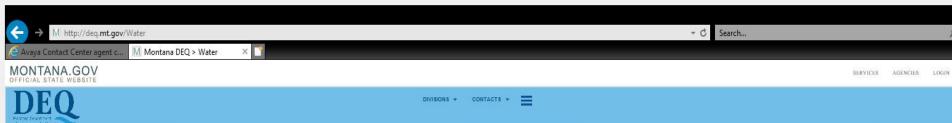
- ✓ Wastewater Treatment Facility Improvements
- ✓ I&I Studies & TVing in relation to a capital project
- ✓ Collection system upgrades—not for growth
- ✓ Storm water collection & treatment
- ✓ Conservation Easements to protect water quality
- ✓ Landfill components related to water quality

NON-POINTSOURCE PROJECTS

- Agricultural BMPs
- Mitigation banks
- Urban Stormwater runoff
- Landfills water quality related

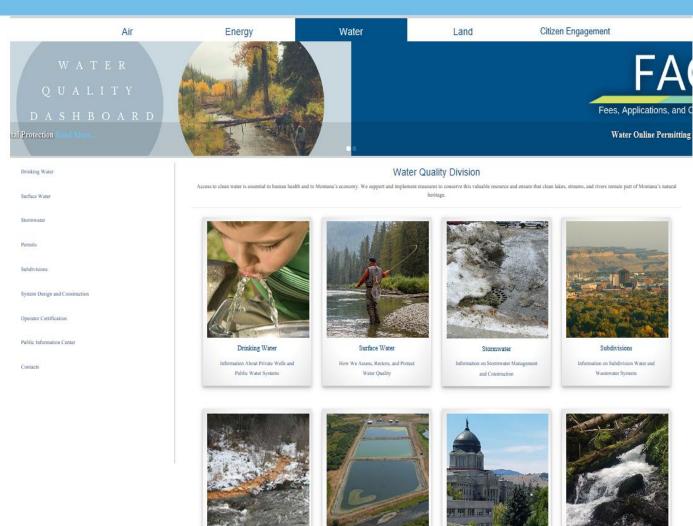
- Wetlands restoration & preservation
- Stream bank restoration
- Construction runoff control
- Septic system removal or upgrade - limited





Permitting

Surface Water and Groundwater Permitting



Operator Certification

Water and Wastewater System Operator Certification Regulations and Forms

Standards, Guidance, Checklists, and

Public Information Center

Resources, Notices, Documents, and

